

Message Text

CONFIDENTIAL

PAGE 01 BUCAR 01124 221537Z

ACTION AID-59

INFO OCT-01 EUR-12 ISO-00 SSO-00 EB-08 IGA-02 L-03

SP-02 /087 W

-----117105 221542Z /45

O 221450Z FEB 78

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC IMMEDIATE 8035

C O N F I D E N T I A L BUCHAREST 1124

E.O. 11652: GDS

TAGS: EAID, SWEL, RO

SUBJ: AID LOAN AGREEMENT

REF: (A) STATE 41930, (B) BUCHAREST 260

1. AFTER ATTEMPTING ASCERTAIN GOR POSITION ON EARTHQUAKE REHABILITATION GRANT AGREEMENT SINCE RECEIPT OF REF A, ACTING ECON COUNSELOR FINALLY ABLE TO MEET WITH MFT DIRECTOR STANCA AND MFA US DESK OFFICER RANGHET ON FEBRUARY 22 (MFT'S CHIEF US DESK OFFICER IONESCU AND STANCA'S ASSISTANT, ZUGRAVU, WERE ALSO PRESENT).

2. ESSENCE OF POSITION PAPER WHICH STANCA EXCERPTED WAS CATEGORIC REJECTION BY GOR OF NEED FOR GRANT AGREEMENT PROTOCOL TO GOVERN DISBURSAL OF OUTSTANDING \$13 MILLION IN U.S. EARTHQUAKE REHABILITATION AID. STANCA SAID THAT GOR WISHES TO RECEIVE "NO STRINGS GRANT." HE ADDED THAT DRAFT GRANT AGREEMENT PROTOCOL CANNOT CONSTITUTE BASIS FOR AGREEMENT WITH AID. HE STATED THAT GOR DISPOSED RECEIVED \$13 MILLION FROM U.S. UNDER NORMAL CONDITIONS, I.E., SAME AS THOSE UNDER WHICH INITIAL \$7 MILLION EMERGENCY GRANT PROVIDED.

3. IN RESPONSE TO QUERY IF GOR WOULD RECEIVE AID
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUCAR 01124 221537Z

LAWYER (OR OTHER OFFICIAL) TO DISCUSS DRAFT AGREEMENT PROTOCOL, STANCA REPLIED THAT GOR WOULD OF COURSE RECEIVE ANYONE, BUT HE ADDED THAT GOR POSITION ON THIS PROTOCOL WOULD NOT CHANGE.

4. COMMENT: TOTAL REJECTION BY GOR OF GRANT AGREEMENT PROTOCOL IS SOMEWHAT SURPRISING GIVEN

EARLIER PROMISING COMMENTS MADE BY VARIOUS MFT AND MFA OFFICIALS, INCLUDING DPM PATAN (AS REPORTED IN REF B). FIRST NEGATIVE COMMENT THAT WE GOT FROM GOR OFFICIAL ON THE PROTOCOL CAME FROM DEPUTY MFA MINISTER OANCEA TO THE AMBASSADOR DURING FEBRUARY 20 MFA LUNCHEON IN HONOR OF U.S. DELEGATION FOR MID-TERM REVIEW OF EXCHANGES. THEN, IN RESPONSE TO AMBASSADOR'S QUESTION, OANCEA SAID HE UNDERSTOOD GOR HAVING PROBLEMS WITH CONDITIONS OF GRANT AGREEMENT PROTOCOL BECAUSE IF GOR AGREED TO U.S. CONDITIONS INVOLVING MONITORING OF U.S. GRANT AID, THEN "OTHERS" (PRESUMABLY THE USSR) WITH SIMILAR PROGRAMS WOULD SEEK SIMILAR CONDITIONS.

5. IT NOW CLEAR THAT PATAN'S POSITION VIS-A-VIS THE PROTOCOL (AS REPORTED IN REF B, NAMELY THAT GOR WOULD BE PREPARED TO NEGOTIATE ONE) HAS BEEN OVERRULED, AND THAT WE MUST ADOPT NEW TACK IF WE WISH PROCEED WITH REMAINING \$13 MILLION IN EARTHQUAKE REHABILITATION GRANT AID.

6. ACTION REQUESTED: HISTORY OF GOR APPROACH TO EARTHQUAKE RELIEF HAS DEMONSTRATED REAL WILLINGNESS TO RESPOND CONSTRUCTIVELY TO U.S. REQUIREMENTS, SO LONG AS FORMAL, LEGAL INSTRUMENTS NOT REQUIRED. STICKING POINT IS THUS EVIDENTLY FORM OF REQUIREMENT, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUCAR 01124 221537Z

AND WE ELIEVE OANCEA'S COMMENT, IDENTIFYING DANGER OF CREATING LEGAL PRECEDENT FOR OTHER COUNTRIES AS MAIN OBSTACLE, SHOULD BE TAKEN AT FACE VALUE. EUR/EE DIRECTOR ANDREWS AND THE AMBASSADOR HAVE 6 P.M. FEBRUARY 23 MEETING SCHEDULED WITH PATAN DURING WHICH WE WILL ATTEMPT OBTAIN ADDITIONAL INSIGHTS INTO GOR POSITION ON THE PROTOCOL. FOR THIS MEETING, REQUEST WE BE ADVISED OF REASONS FOR NEED OF GRANT AGREEMENT PROTOCOL, OR OF ANY OTHER WAY THAT \$13 MILLION CAN BE DISBURSED ON TERMS WHICH MIGHT BE ACCEPTABLE TO GOR. AGGREY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOAN AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BUCHAR01124
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780082-0315
Format: TEL
From: BUCHAREST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780230/aaaaayuo.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e1bdb7d2-c288-dd11-92da-001cc4696bcc
Office: ACTION AID
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 41930, 78 BUCHAREST 260
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3529141
Secure: OPEN
Status: NATIVE
Subject: AID LOAN AGREEMENT
TAGS: EAID, SWEL, RO
To: STATE
Type: TE
vdkgvwkey: odbs://SAS/SAS.dbo.SAS_Docs/e1bdb7d2-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014